

Eurex Clearing Circular 012/19

Discontinuation of clearing services for Irish Stock Exchange: Amendments to the Clearing Conditions and to the Price List of Eurex Clearing AG

Summary

Irish Stock Exchange (ISE, presently Euronext Dublin) has migrated its trading and a range of other services, previously provided by Deutsche Börse AG, to the systems of Euronext Group after trading day **1 February 2019**.

In this context, ISE has switched to EuroCCP as the central clearing counterparty for ISE trades. Eurex Clearing AG continues to handle the trades executed on 1 February 2019 or earlier. ISE trades executed on any following trading days will be cleared by EuroCCP.

To implement the changes, the Clearing Conditions of Eurex Clearing AG (including Appendices) and the Price List of Eurex Clearing AG will be changed with effect from **1 April 2019**:

Please refer to the attachments to this circular for detailed information of updated sections of the Clearing Conditions and the Price List.

Attachments:

- Updated sections of the Clearing Conditions of Eurex Clearing AG (including Appendices)
- Updated sections of the Price List of Eurex Clearing AG

Date: 5 February 2019

Recipients:

All Clearing Members, Basic Clearing Members, Disclosed Direct Clients of Eurex Clearing AG and vendors and all FCM Clearing Members and other affected contractual parties

Authorized by:

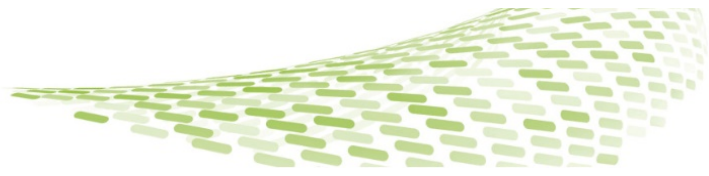
Heike Eckert

Target group:

- All departments

Contact:

Your Key Account Manager Clearing, clearing.services-admission@eurexclearing.com



Discontinuation of clearing services for Irish Stock Exchange: Amendments to the Clearing Conditions and to the Price List of Eurex Clearing AG

1. Amendments to the Clearing Conditions of Eurex Clearing AG

The Clearing Conditions including the relevant Appendices are amended by deletion of any ISE-related references, including Chapter VI of the Clearing Conditions which set out ISE-specific provisions. The amended sections of the Clearing Conditions (including the relevant Appendices) of Eurex Clearing AG (Clearing Conditions) are attached to this circular.

The amendments will come into effect on 1 April 2019. On this day, the full version of the amended Clearing Conditions will be available on the Eurex Clearing website www.eurexclearing.com under the following link:

[Resources > Rules and Regulations > Clearing Conditions](#)

2. Transaction fees

Any fees relating to the clearing of ISE transactions will be deleted from the Price List of Eurex Clearing AG (Price List). The amended sections of the Price List are attached to this circular.

The amendments will come into effect on 1 April 2019. On this day, the full version of the amended Price List will be available on the Eurex Clearing website under the following link:

[Resources > Rules and Regulations > Price list](#)

The amendments to the legal framework of Eurex Clearing AG other than the Price List of Eurex Clearing AG published by this circular at least fifteen (15) Business Days prior to the effective date indicated herein are deemed accepted by each affected contractual party of Eurex Clearing AG, unless the respective contractual party objects by written notice to Eurex Clearing AG within the first ten (10) Business Days of such period of such period. Any ordinary right of Eurex Clearing AG to terminate the respective contract (including a Clearing Agreement, if applicable) shall remain unaffected.

The amendments to the Price List of Eurex Clearing AG published by this circular at least ten (10) Business Days prior to the effective date indicated herein are deemed accepted by each affected contractual party of Eurex Clearing AG, unless the respective contractual party objects by written notice to Eurex Clearing AG within the first ten (10) Business Days of such period of such period. Any ordinary right of Eurex Clearing AG to terminate the respective contract (including a Clearing Agreement, if applicable) shall remain unaffected.

Unless the context requires otherwise, terms used and not otherwise defined in this circular shall have the meaning ascribed to them in the Clearing Conditions or FCM Clearing Conditions, as applicable.

If you have any questions or need further information, please contact your Key Account Manager Clearing, e-mail: clearing.services-admission@eurexclearing.com.

5 February 2019

Appendix 1 to the Clearing Conditions of Eurex Clearing AG:

Clearing Agreement

between Eurex Clearing AG and a Clearing Member

As of 01.04.2019

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

Annex Clearing Licence and further selections

1 Clearing License

The Clearing Member shall be granted:

- General Clearing License for the Clearing of the following Transactions:
 - Chapter II Transactions Concluded at Eurex Deutschland (Eurex Exchange)
 - Chapter IV Clearing of Repo Transactions
 - Chapter V Part 2 Transactions Concluded at the Frankfurter Wertpapierbörse
 - ~~Chapter VI Transactions Concluded at the Irish Stock Exchange (ISE Dublin)~~
 - Chapter IX Clearing of Securities Lending Transactions
 - Chapter VIII Part 2 OTC Interest Rate Derivative Transactions.
- Direct Clearing License for the Clearing of the following Transactions:
 - Chapter II Transactions Concluded at Eurex Deutschland (Eurex Exchange)
 - Chapter IV Clearing of Repo Transactions
 - Chapter V Part 2 Transactions Concluded at the Frankfurter Wertpapierbörse
 - ~~Chapter VI Transactions Concluded at the Irish Stock Exchange (ISE Dublin)~~
 - Chapter IX Clearing of Securities Lending Transactions
 - Chapter VIII Part 2 OTC Interest Rate Derivative Transactions
 - Chapter VIII Part 3 and Part 4 OTC FX Transactions and OTC XCCY Transactions, respectively.

[...]

Appendix 3 to the Clearing Conditions of Eurex Clearing AG:

Clearing Agreement

with a Non-Clearing Member and/or Registered Customer for the
Individual Clearing Model under Eurex Clearing AG Documentation

As of 01.04.2019

AMENDMENTS ARE MARKED AS FOLLOWS:

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DELETIONS ARE CROSSED OUT

[...]

Annex A to the Clearing Agreement: Transaction Types included in the Clearing, Direct Segregated Margin Transfer and Retransfer

1 Transaction Types included in the Clearing

The ICM Client shall participate in the Clearing pursuant to this Agreement in accordance with the following elections:

- Registered Customer for the following Transaction Types:
 - Chapter II Transactions Concluded at Eurex Deutschland (Eurex Exchange)
 - Chapter VIII Part 2 Clearing of OTC Interest Rate Derivative Transactions
- Non-Clearing Member for the following Transaction Types:
 - Chapter II Transactions Concluded at Eurex Deutschland (Eurex Exchange)
 - Chapter IV Clearing of Repo Transactions
 - Chapter V Part 2 Transactions Concluded at the Frankfurter Wertpapierbörse
 - ~~Chapter VI Transactions Concluded at the Irish Stock Exchange (ISE Dublin)~~

[...]

[...]

Appendix 4 to the Clearing Conditions of Eurex Clearing AG:

Clearing Agreement

with a Non-Clearing Member and/or Registered Customer for the
Individual Clearing Model under Client Clearing Documentation

As of 01.04.2019

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

Annex A to the Clearing Agreement: Details of Client Clearing Agreement, Transaction Types included in the Clearing, Direct Segregated Margin Transfer and Retransfer

1 Details of Client Clearing Agreement

[...]

2 Transaction Types included in the Clearing

The ICM Client shall participate in the Clearing pursuant to this Agreement in accordance with the following elections:

- Registered Customer for the following Transaction Types:
 - Chapter II Transactions Concluded at Eurex Deutschland (Eurex Exchange)
 - Chapter VIII Part 2 Clearing of OTC Interest Rate Derivative Transactions.
- Non-Clearing Member for the following Transaction Types:
 - Chapter II Transactions Concluded at Eurex Deutschland (Eurex Exchange)
 - Chapter IV Clearing of Repo Transactions
 - Chapter V Part 2 Transactions Concluded at the Frankfurter Wertpapierbörse
 - ~~Chapter VI Transactions Concluded at the Irish Stock Exchange (ISE Dublin)~~

[...]

Chapter I of the Clearing Conditions of Eurex Clearing AG

General Provisions

As of 01.04.2019

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[...]

Clearing Conditions of Eurex Clearing AG

Preamble

As provided for in these clearing conditions of Eurex Clearing AG (hereinafter referred to as “**Clearing Conditions**”) Eurex Clearing AG, having its registered office in Frankfurt am Main, acts as central counterparty for (a) (i) transactions in securities and *Wertrechte*, including German book-entry securities (*Gutschriften in Wertpapierrechnung*) and Swiss intermediated securities (*Schweizer Bucheffekten*) (hereinafter together the “**Securities**”) and (ii) futures, options and other derivative transactions, which, in each case, result from either matching orders and quotes of trading participants (the “**Matching**”) on the markets Eurex Deutschland, Eurex Repo or another multilateral trading facility for Repo Transactions ~~and, Frankfurter Wertpapierbörse and Irish Stock Exchange~~ (hereinafter collectively referred to as “**Markets**” and each a “**Market**”, each transaction resulting from Matching a “**Market Transaction**”), (b) novations of transactions executed over-the-counter (each transaction resulting from an over-the-counter transaction an “**OTC Transaction**”) or (c) novations of executed over-the-counter securities or cash lending transactions or securities lending transactions executed on Eurex Repo (each transaction resulting from a novation of any such **securities** (or cash) **lending transaction** a “**Securities Lending Transaction**”, and each Market Transaction, OTC Transaction and Securities Lending Transaction, a “**Transaction**”).

[...]

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Part 1 General Clearing Provisions

1 General Rules

1.1 Scope of Application

[...]

1.1.2 The Clearing Procedures refer to the following types of Transactions (each a "**Transaction Type**"): Transactions resulting from:

[...]

(3) the matching of orders and quotes regarding securities in the trading system of Frankfurter Wertpapierbörse ("**FWB**") or the novation of trades concluded off-exchange, in each case pursuant to Chapter V Part 2 (the resulting Transactions being referred to as "**FWB Transactions**");

~~(4) the matching of orders and quotes regarding securities in the trading system of the Irish Stock Exchange ("**ISE**") pursuant to Chapter VI (the resulting Transactions being referred to as "**ISE Transactions**");~~

~~(45) the novation (i) of over-the-counter transactions in interest rate derivatives pursuant to Chapter VIII Part 2 (the resulting Transactions being referred to as "**OTC Interest Rate Derivative Transactions**"), (ii) over-the-counter FX spot transactions, over-the-counter FX forward transactions and over-the-counter FX swap transactions pursuant to Chapter VIII Part 3 (the resulting Transactions being referred to together as "**OTC FX Transactions**") and (iii) over-the-counter cross currency swap transactions pursuant to Chapter VIII Part 4 (the resulting Transactions being referred to as "**OTC XCCY Transactions**");~~

~~(56) the novation of securities lending transactions pursuant to Chapter IX (the resulting Transactions being "**Securities Lending Transactions**").~~

[...]

1.2.4 Certain Definitions and Interpretation

In these Clearing Conditions:

(1) "**Business Days**" means

(a) for the Clearing of Eurex Transactions (Chapter II): the exchange days determined by the management board of the Eurex Exchange;

(b) for the Clearing of Eurex Repo Transactions and Original MTF Repo Transactions (Chapter IV): the trading days determined by the management board of Eurex Clearing AG;

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- (c) for the Clearing of FWB Transactions (Chapter V Part 1 and 2): the exchange days determined by the management board of FWB;
- ~~(d) for the Clearing of ISE Transactions (Chapter VI): the days determined by Eurex Clearing AG on which a clearing of ISE Transactions is carried out;~~
- (de) for the Clearing of OTC Interest Rate Derivative Transactions, OTC FX Transactions and OTC XCCY Transactions (Chapter VIII): the days determined by the Executive Board of Eurex Clearing AG;
- (ef) for the Clearing of Securities Lending Transactions (Chapter IX): the days determined by the Executive Board of Eurex Clearing AG; and
- (fg) in any other case, a day (other than Saturday or Sunday) on which commercial banks in Frankfurt am Main, Germany, are open for general business.

[...]

[...]

2.1.2 General Prerequisites for Clearing Licenses

[...]

- (3) The applicant for a Clearing License must

[...]

Regulatory capital is considered equivalent when it is (i) used as a measure of adequate solvency for the applicant by its competent supervisory authority, (ii) reported to the applicant's competent supervisory authority on a regular basis and (iii) audited at least yearly.

- (a) In case an applicant applies for multiple Clearing Licenses covering multiple Transaction Types, the required own funds are calculated as follows:

~~(aa) Unless specifically provided otherwise in (bb) below, the~~ The own funds required for multiple Clearing Licenses is the sum of the own funds required for each Clearing Licence.

~~(bb) When calculating the liable equity capital for granting a Clearing License for FWB Transactions (Chapter V Part 1 and 2), those own funds shall be taken into account which the applicant has already provided evidence for due to the granting of a Clearing License for ISE Transactions (Chapter VI) and vice versa.~~

- (b) The own funds or equivalent regulatory capital shall be calculated in accordance with the supervisory provisions applicable to the relevant applicant.

[...]

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[...]

3 General Provisions regarding Margin

[...]

3.1 Margin Requirement and Types of Margin

[...]

3.1.4 Each margin requirement calculated by Eurex Clearing AG shall equal, in respect of a Transaction or a group of Transactions after a netting thereof, if applicable, the sum of the Current Liquidating Margin requirement and the Premium Margin requirement and the Additional Margin requirement and the Initial Margin requirement and any other margin type requirement, as specified in the Special Clearing Provisions, (the “**Margin Type**”) and, in the case of an intra-day Margin Call (as defined in Number 3.3.1), amounts as determined by Eurex Clearing AG to cover potential payments of Variation Margin, IRS STM Amounts (as defined in Chapter VIII Part 2), IRS PAA (as defined in Chapter VIII Part 2), Currency STM Amounts (as defined in Chapter VIII Part 3) or Currency PAA (as defined in Chapter VIII Part 3) that the Clearing Member or the Basic Clearing Member, as relevant, may owe in respect of each Standard Agreement during the end-of-day settlement cycle. The Current Liquidating Margin requirement and the Additional Margin requirement apply to all securities transactions (*Wertpapiergeschäfte*) pursuant to Chapters II through VI.

3.1.5 The “**Current Liquidating Margin**” requirement equals the value of loss Eurex Clearing AG would suffer as of the time of the determination of the margin requirement from a closing of a Transaction by entering into an inverse transaction (*Glattstellung*) being subject to such margin requirement taking into account cash and securities positions under those Transactions separately. Each cash position shall be determined by discounting it with the current market interest rate (calculation of cash value on the valuation date). Each securities position shall be valued after the end of trading of the respective Market on the basis of the Daily Settlement Price (as defined, in each case, in Chapter II-VI) taking into account any accrued interest, if applicable.

[...]

Part 6 Basic Clearing Member Provisions

1 Application of the Basic Clearing Member Provisions

[...]

1.3 Basic Clearing Member Transactions may only be Market Transactions (except for Eurex Transactions and, FWB Transactions and ISE Transactions) or OTC Interest Rate

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Derivative Transactions. Market Transactions and OTC Transactions are concluded in accordance with the following provisions:

- (1) Whenever an order or quote entered into the trading systems of a Market by a Basic Clearing Member or a Clearing Agent acting on behalf of the Basic Clearing Member is matched with another order or quote, in each case a Market Transaction with identical terms shall be concluded between Eurex Clearing AG and the relevant Basic Clearing Member.

[...]

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

6. Transaction Fees of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse, FWB)

[...]

[...]

7. [Deleted]

~~7. Transaction Fees Irish Stock Exchange (ISE)~~

~~For transactions pursuant to Chapter I Part 1 Number 5.1 of the Clearing Conditions in connection with transactions concluded at the Irish Stock Exchange (ISE) in securities and rights (ISE transactions) pursuant to Chapter VI of the Clearing Conditions, Eurex Clearing AG levies fees for the regulation and the Clearing of ISE transactions carried out by it ("Clearing Fees") including clearing services (corporate actions, position management etc.) carried out by CrestCo Ltd. (Crest) of ISE transactions⁴.~~

~~Clearing Fees~~

~~Fees per transaction: _____ EUR 0.12~~

[...]

⁴—ISE transactions are not included in the Gross Delivery Facility of ECAG.